



# M E D I A   R E L E A S E

STATE OF TENNESSEE  
DEPARTMENT OF FINANCIAL INSTITUTIONS

FOR IMMEDIATE RELEASE  
OCTOBER 9, 2008

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## **TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS TO PARTICIPATE IN NATIONWIDE MORTGAGE LICENSING SYSTEM**

NASHVILLE -- Commissioner Greg Gonzales announced today that the Tennessee Department of Financial Institutions will participate in the Nationwide Mortgage Licensing System and Registry that was developed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators. The target date for Tennessee's participation is the first quarter of 2009.

"The Tennessee Department of Financial Institutions is proud to be a part of the new regulatory framework being created by states for the improved supervision of the mortgage industry," said Gonzales. "This licensing system is the cornerstone of the framework and will allow mortgage companies to apply for and manage licenses electronically. In addition, it will allow the Tennessee Department of Financial Institutions to enhance supervision of the mortgage industry by linking with other states to increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraud."

Commissioner Gonzales added that Tennessee has been among a handful of states involved since 2004 in the creation of the uniform mortgage applications being used by the Nationwide Mortgage Licensing System and Registry. All states are required to participate under recently passed federal legislation known as the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 or "S.A.F.E. Mortgage Act." The S.A.F.E. Mortgage Act requires states to set minimum licensing requirements for mortgage loan originators including: fingerprinting for the purpose of a criminal background check, satisfactorily passing a pre-licensure test, meeting continuing education requirements, and providing assurance of net worth.

The S.A.F.E. Mortgage Act also requires any residential mortgage loan originator to be either state licensed or federally registered. All states must have a system of licensing in place for residential mortgage loan originators by August 1, 2009. Congressional intent for the S.A.F.E. Mortgage Act is that licensed individuals "have demonstrated

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financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a determination that the loan originator will operate honestly, fairly, and efficiently within the purposes of the Act."

To protect citizens and bring greater accountability and transparency to the mortgage industry, state mortgage regulators developed the Nationwide Mortgage Licensing System and Registry. Operations began on January 2, 2008, and currently 15 states are using the system to accept and process national, uniform license applications. Fifty three agencies in 46 states have filed a "Statement of Intent" to join the system. Licensees are able to electronically manage a single record in the system to apply for, amend, renew, and surrender licenses in one or more participating states. State regulators recognized that the rapid expansion and evolution of the mortgage industry demanded a regulatory framework that is efficient and effective.

Any mortgage company or individual wishing to apply for a new license must do so through the Nationwide Mortgage Licensing System and Registry once implemented in Tennessee. Current licensees must also transition to the system to renew their licenses for 2010. The Department of Financial Institutions will be issuing a letter to current licensees with detailed instructions for transitioning to the new system. Current license holders are asked to await that mailing before contacting the department with questions.

Complete information about the Nationwide Mortgage Licensing System and Registry can be found online at: [www.stateregulatoryregistry.org/NMLS](http://www.stateregulatoryregistry.org/NMLS).

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